

# Public Health Then and Now

## Editor's Comments: Plurality of Views

In view of the timeliness and seriousness of the issues under discussion, the Editors agreed to publish the following exchange between Howard Waitzkin and Alain Enthoven on the history of managed competition. The proposals for health care reform currently under national discussion span a broad range from "single payer" to the unfettered free market, and we recognize that these different proposals inspire strong feelings and opinions. The American Public Health Association has long been a

strong proponent of national health care reform and historically has endorsed the principles of the single-payer position. Although the editors of the *American Journal of Public Health* welcome spirited argument on the issues of health care reform, we would like to emphasize that this journal is open to a plurality of views, and we reject any implication that one approach is more "American" than another. □

Elizabeth Fee

## The Strange Career of Managed Competition: From Military Failure to Medical Success?

Howard Waitzkin, MD, PhD

Beyond its uniqueness and eclecticism, I would like to say that the art of weapon systems analysis, like the art of medicine, should be based on scientific method, using that term in its broadest sense.<sup>1</sup>

—Alain C. Enthoven, 1963

Since managed competition as the basis of a national health program remains untested anywhere in the world, by what yardstick should it be judged?

Current debates do not recognize that key principles of managed competition arose historically in a completely different, nonmedical arena: the military. These principles briefly became influential at the US Department of Defense and certain other parts of the federal government. However, this approach to policy-making eventually fell into disfavor because of both its failure to achieve policy goals and the widespread opposition that it generated in the military sector, other administrative branches of government, Congress, and the general public.

The origins of managed competition in military policy help clarify what can be expected from a similar manage-

rial strategy of health care reform. Through a critical review of published works, this article traces the history of managed competition, compares complementary themes in the military and medical arenas, and presents implications for future decisions about a US national health program.

### *Origins of Managed Competition in Military Policy Analysis*

The conceptual framework of managed competition originated in the military situation that confronted the United States during the Cold War of the late 1950s and early 1960s. Professor Alain Enthoven, an economist and the princi-

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## ABSTRACT

Managed competition remains untested as the basis of a national health program. However, key principles of managed competition first emerged in the military. For this study, published works on systems analysis and the planning-programming-budgeting system (PPBS), developed by Alain Enthoven and colleagues at the US Department of Defense during the 1960s, were compared with published presentations of managed competition. The influence of PPBS waned after it generated controversy and opposition. PPBS and managed competition represent similar managerial strategies of policy reform. Although the origin of managed competition in failed military policy does not ensure failure in the medical arena, this history also does not augur success. (*Am J Public Health*. 1994;84:482-489)